



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

October 15, 2003

Subject: Update on AB 323 Revision to the Managed Forest Law (MFL) Program

Dear Landowner:

As reported in the last newsletter, Assembly Bill 323 was introduced for discussion into the Wisconsin Assembly. This bill includes proposed revisions to the Managed Forest Law (MFL) based upon recommendations made by the Governor's Council on Forestry Special Committee Report. In recent weeks amendments were proposed to the original Bill in response to feedback from landowners and other interested groups. We expect the Assembly to vote on this legislation in the next week or two. The legislation would then have to go through the Senate and Joint Finance. It could become law as early as December. If you want to stay abreast of changes you can visit the legislative website at: www.legis.state.wi.us, or www.legis.state.wi.us/assembly/asm35/news/Committee/Bills.htm, or the DNR Forestry webpage at: <http://www.dnr.state.wi.us/org/land/forestry/ftax/>.

What follows is a brief summary of both the original (▪) and amended (✓) changes being proposed thus far.

Proposed Legislation to Revise Managed Forest Law (both original and amended)

- Increasing the application fee change from \$100 to \$300 for all new entries without an approved management plan. The application fee for additions and plans with an approved management plan would continue to be \$20.
- Moving the application deadline back 7 months, from January 31 to July 1st, for owners of less than 1000 acres. For example, applications received by July 1, 2004 would be eligible for entry effective January 1, 2006. The application date would stay March 31 for owners with more than 1,000 acres.
 - ✓ **Amendment** allows for a second (and later) application date of May 15 **IF** the application is accompanied by an approved management plan prepared by a certified plan writer.
- Placing a moratorium on yield taxes on harvests during the first five years of the MFL order. The owner would be exempt from any yield tax on any harvests during the first five years. This will apply only to land entered after this bill is passed.
- Changing the acreage share tax formula to be 5% of the average tax on forest, and swamp and wasteland. This was proposed to take effect on January 1, 2008 for all entries.
- **Amendment** modifies this formula to be 5% of the average tax on forest land only, due to recent changes to assessment of swamp and waste classes of land. Formula will be based on equalized values and would apply only to land entered after this bill is passed.
- Changing the closed acre fee payment to 20% of the average tax on forest, and swamp and wasteland. This was proposed to take effect on January 1, 2008 for all entries.
- **Amendment** modifies this formula to be 20% of the average tax on forest land only. Formula will be based on equalized values and would apply only to land entered after this bill is passed.
 - ✓ **Amendment** establishes a Managed Forest Land Board to administer the grant program for the purchase of land or easements on land for public access. This grant program will be funded with closed acre fees.
- Increasing the acres that may be closed to public access from a maximum of 80 acres to 160 acres per landowner per town. This change would affect all future MFL lands.
- Allowing the department to assess a fine of \$250 against an owner for each failure to complete a forestry practice during the required time period (for all entries regardless of entry year).
- Increasing the MFL transfer fee from \$20 to \$100 for all transfer requests (existing and new entries).
- Creating a \$300 fee for all MFL (existing and new entries) withdrawals.
- Allowing a failure to pay personal property taxes for buildings on MFL lands to result in withdrawal from the

MFL program.

- Increasing the payment of yield and withdrawal taxes to towns and counties from 50% to 100%. The towns get 80% and the county 20% of these taxes.
- ✓ **Amendment** allows forest lands within city limits to be enrolled in MFL.
- ✓ **Amendment** proposes that old and new acreage share/closed acreage rates cannot be combined in a single entry. The only additions to existing (old) entries will be for parcels 3 acres or more, which are contiguous to the existing entry, and would not be eligible on their own as an entry, and would require the lands (old and new) to be under a new entry. Additions would be allowed to new entries, which are already under the new rates.

I hope this information alleviates some of your questions and concerns.

Sincerely,

A handwritten signature in cursive script that reads "Linda C. DePaul".

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